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A PAPER READ AT THE ANNUAL DINNER OF THE BANK OFFICERS ASSOCIATION, BOSTON, APRIL 17, 1893.

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THE SILVER INFLICTION.*

The days of silver metal, in regard to its use as a monetary medium with any permanent relations to gold, seem to be numbered, and thus it is the present seriously disturbing factor in the financial affairs of the world. The position of silver in the past has been chiefly subsidiary, its current value being always measured by gold. The anomolous position of the people of the United States in having silver dollars made compulsory as unlimited legal tender at par with gold, and yet not interchangeable for gold, and while the intrinsic value of the silver coin is indefinable, or at least one-third less than the gold one, cannot be arbitrarily maintained without friction, if not rebellion. In this situation the talk of maintaining "a parity" is utterly fallacious. As well establish a parity between the rays of the sun and those of the moon.

No subject has come into the arena of public discussion within the last generation on which so much impractical and valueless matter has been uttered and printed as upon this. Volumes have been written upon it, and from a practical point of view one sometimes thinks the more scholarly the writer the wider of the mark is his reasoning. It is of no significance to draw deductions from the past; the present conditions are without precedent. If we had more trained business men in Washington, in fact a good deal less law and more practice, the country would be largely the gainer. In view of the present legislative situation, one is led to exclaim: Oh, for a leading statesman, or one hour of Alexander Hamilton! An hour of the experience and financial perspicacity of such a man just now would be worth an eternity of the senators and representatives of

* The printing of this Paper by request, and the timely interest in the subject has encouraged the writer to extend it beyond his original manuscript.

Colorado and Nevada and their ilk. The distinguished Ohio senator has lately told us that "the real solution of the silver problem is to put into our silver dollar enough silver at market value to be equal to a gold dollar," and the senator utters this fallacy when silver is fluctuating in price, as wheat in the brokers' pit in Chicago. Should this be attempted, one week the dollar would require, say 420 grains, and in the next perhaps 450 grains, and so on. And then we have another Senator who "does not feel equal to another voyage to Brussels," but is authoritatively gazetted as saying that:

"He believes the adjourned Brussels conference will be in session six months and that it will eventuate in a larger use of silver by all nations participating. The small gold coins of Europe will be withdrawn and all nations will adopt the policy of purchasing silver bullion and issuing silver certificates thereon."

This prediction will be realized when the Mississippi river turns about in its channel and the great stream courses backward to the Rocky Mountains — and not till then. The recent events in the history of Germany show no disposition to hasten action there in that direction. Germany, at least, is tranquil where silver is already demonetized, and the proclivities of the larger part of Europe are in the same direction.

I listened recently to an address upon "The Future of Silver," by President Andrews of Brown University, which in the light of commercial experience was sophomorical in the extreme, and really comical in its fallacies; and yet the learned speaker was a member of the Brussels conference. He seemed to regard bimetalism as the panacea for all manner of financial ills. Meanwhile in the present condition of our domestic affairs, if the country was surrounded by a wall, a currency of disks of sole leather or copper, as tokens for money, if issued and redeemed by the Government, and they could not be more easily counterfeited and were as indestructible, they might be made to answer the purpose as well as silver. His premises were the speculations of the study and widely variant from the lessons of practical affairs.

He tells us, "It is provable, beyond question, that silver is on the whole a fitter instrument for monetary uses than gold. It is steadier in value, much more appropriate for retail payments, and when mobilized by certificates not essentially less commodious for use in the vastest transactions," and "What is more important it is producible from the mines in whatever amounts may be necessary to expand the metallic basis of the world's money for an indefinite time to come, so as to prevent or greatly retard the fall in prices." One cannot resist the suggestion that such logic as this is founded in a mental obliquity. It is one of the noticeable phenomena of human nature, that the non-practical essayists and statesmen (!) who affect to write or speak on monetary affairs, so readily wander into the mists of transcendental finance, and exhibit such intellectual gymnastics as to make the thoughtful wonder and the "judicious grieve."

A great war in Europe or a failure in their harvests, simultaneously with bounteous crops in the United States, would swiftly effect the movements of gold and investment securities and knock all such theories and deductions into smithereens!

The prediction can be ventured that the European States will come to no agreement by conference as to the establishment of a bimetallic system, and any consideration of it is daily growing more and more remote. They may, however, possibly be led to concur in the advantage of a uniformity in the character of the token stamps of their silver coins, by some rearrangement for reciprocal circulation and under modified limitations, as now with the Latin Union. The action of any conference toward establishing a permanent ratio cannot but be abortive, and I repeat, international bi-metalism as to silver being fixed in its relations with gold, will come to us about the same time as the millennium. The disparity is too great and too variable. It would be undertaking to lift silver and the whole silver currency system of the civilized world out of a slough into which irresistible normal conditions and the selfishness of mankind, including that of

the policy of "protection" in the United States Congress, has precipitated it. This metal has virtually demonetized itself by its over-production and instability. This has killed the goose that laid golden eggs, and the idea of the silver fanatics of its restoration to a co-equality with gold in the monetary systems, while such masses of it are in the market, is the very *delirium* of bimetalism.

Plainly, silver, from its abundance and from modern facilities for its production, has ceased to stand as a precious metal. Its aristocratic qualities are gone, and it is now but a *parvenu* and a pretender. It has lost a fascination which in other days attached to it, and has become a commodity no longer to be regarded as a permanent banking collateral, but as merchandise subject to the varying conditions of the market and of trade, and thus distrusted as a monetary medium. In lieu of ounces and pennyweights it is now handled by tons.

The metal has largely lapsed from articles of fashionable personal adornment, to a more extended use in household utensils, and at its present cost of production will more and more come into domestic service and into the mechanic arts. This present cost is without precedent, estimated in some quarters at from 25 to 50 cents per ounce, while not many years back its market rate was upwards of $1.30 per ounce, and fifty years ago silver dollars and half dollars were at a premium. Silver coins have now sunk in intrinsic value to a discreditable margin of discount as compared with gold coins, and thus are but representative tokens, as are our nickels and bronze pennies.

To legalize an unrestricted free coinage of this metal, subject to the possible variations, and at the same time permit its token coins to be an unlimited legal tender, would be a culmination of this silver infamy that should scourge its advocates, known as the "silver interest," to quote Senator Vest, out of our Washington Temple. It would grant a privilege nowise democratic, a privilege suggestive of feudalism, where the favorite purchased his office of his chief and in turn arbitrarily and relentlessly tithed and taxed the people. In lieu of "robber barons," we have, by the

infelicity of a universal suffrage in this forced ascendancy of vulgar wealth, Silver Kings!

Could there be more atrocious legislation than an enactment of a free coinage law, whereby it would be legal for a debtor to take his pig silver to the United States mints and, without reference to its fluctuating commercial value, have it coined into those disks of 412½ grains of $\frac{9}{10}$ fineness, and then, with that absurd legend upon them, "In God we trust," compel his creditors to receive them as honest dollars? No Shah or Bourbon absolutism has ever exceeded that!

With silver in such excessive production and its market value perpetually declining, the coin of this metal, despite all Latin Unions, Brussels conventions, or national legislation, must gravitate to its commercial level as against gold, always and ever the masterful force. Our silver coin must sooner or later follow the precedents in all the Orient, or wherever silver money has obtained and its coin is the unit of commerce, and submit in traffic to a daily and sometimes hourly computation, thus resulting in an unstable and virtually a double currency, where in financial transactions a rise is as unsettling as a fall. These conditions unfit silver for a medium, or a place at par with gold, and put the problem beyond control of any or all governments and of any laws but those of trade, and therefore again I say, the establishment of fixed relations between the two metals is now absolutely impossible.

This phase was illustrated during our war of the Rebellion, in the rates of foreign exchange, in the futile acts of Congress, and again in the use of our government notes, as against gold—the universal standard,—and will be again in the event the government should be unable to meet its notes on demand with gold, or under the calamity of its currency becoming wholly one of silver and silver certificates and public confidence weakened.

In view of this unexampled situation, that there should be distrust in the great monetary centres, with important merchants and manufacturers who deal with India, China and Japan, with London financial agencies, and in the

entire Eastern world and the South American states wherever silver money is the currency, there should be deviations from par, and disturbing fluctuations, instability, shrinkage and bankruptcy, is inevitable. Thus, with silver nominally as a basis, it must ever be, and gold will assert itself the arbiter of financial measure, the permanent and universal touch-stone. The use of silver as in the past cannot be sustained, except so far as it may arbitrarily be subordinated to merely fractional and subsidiary purposes. To be sure, bimetalism practically prevailed largely in the world a generation or more ago, because silver, from its limited supply, could then be readily exchanged for gold on terms that had traditionally existed for years with some degree of permanency; whereas today such is its production that but for the compulsory monthly purchases by the United States, silver would exist in such surplusage as to be but as an ordinary shop consignment for the bargain table.

Ex-Secretary Balfour of the British Ministry reasons that while values are determined by demand and supply, governments may still have an effect upon these conditions through the existing currency systems of the world, and by affecting these they do affect the relative prices, and thus, he thinks, by "international arrangements may be fixed some reasonable ratio (or permanent equality) of exchange between gold and silver coins."

You perceive I take exception to this view. I feel if the Honorable Secretary had ever had the most indifferent commercial experience, he would entertain no such opinion. The gentleman must have overlooked his India currency of silver with its fluctuating rupees, now quoted at one shilling and three-pence in London—a discount of more than one-third from the par.

Syed Ameer Ali, an intelligent and cultivated writer of Calcutta and a member of the London bar, in an article in the March number of the Nineteenth Century Magazine, entitled "The Rupee the Ruin of India," sensibly impressed with the gravity of the situation, tells us that India has lost by the fall of silver more than sixty-seven million pounds sterling by its official remittance to England, since 1872, in the

difference between the silver rupee and the gold sterling. He notes, also, already a rise in the price of food under the cheap money there, and recommends the gold standard and the closing of the mints to silver, with the retention of the rupee in their currency only as token money, at 1s. 6d., a reduction of 25 per cent, which is as if our silver dollar should by Act of Congress be dropped to 75 cents. It is now virtually less than that, and should the ratio be reduced, as suggested, it would come to that at least. He tells us that "Capitalists in gold countries will not invest in securities in silver countries, because they have no confidence in the value of silver in relation to gold," and that "a currency which fluctuates from day to day and the value of which depends upon the smartness of speculations, hardly leaves room for safe calculation."

I commend this article to your reading. There is much there that foreshadows the possibilities of our future experience.

As I have already intimated, the production of this silver metal now exceeds all former history. Its decline in value of late has been constant till its price has long ago beaten its own record, and even with the enormous purchases ordered by the "silver interest" in the American Congress, it is evident there is no power to prevent its further precipitation in the face of these conditions. As well may the British farmer regulate the price of his wheat by an act of Parliament while his American competitors in Minnesota and Dakota can raise their grain for less than one half the cost of its production in Great Britain. Therefore, I have no faith in resolves of conferences, or theories evolved by impractical and interested political advocates, whose essays and speeches on the subject, in the light of experience, are not worth the paper they spoil.

The commercial and financial exchanges are superior to all legislation; the ukase of a Czar, a bull of the Pope, or one of a selfish and desperate sectional element in the American Congress are alike to them.

The late Brussels Conference assembled under the fascinating delusion that its members could, by ignoring com-

mercial laws, perhaps by some occult power or incidental arrangement, arbitrarily adjust a ratio between these two metals and thereby give increased potentiality to silver; in other words, to obliterate the variable and continually widening line of divergence between gold and silver, and establish a new artificial one! There was a good deal of word-fencing there, and tentative discussion with timidity, and a showing of how not to do it, illustrating, perhaps, that *mot* of the diplomat that "words were intended to conceal ideas."

When one reflects upon the important interests of Great Britain, that are threatened and are so vital to the financial system of her India colonies, pending this silver revolution, it becomes a matter of surprise that her representatives in that Conference did not exhibit a better grasp and realizing appreciation of the situation and its serious portents to them.

The inconsequential issue of that Conference is before the world. It adjourned as predicted, without definite result. It simply recognized the evil and could offer no remedy. It would be absurd to gather it again, at least as an international conclave, and indeed any like action towards the end desired would be as futile. It sought to bolster up a hopeless cause and failed because of its contention with natural causes not to be affected by legislation, but by the laws of supply and demand.

I have alluded to the Latin Union. As there may be some who are not familiar with its precise function I will venture here to intimate that it is not understood to be an important factor in establishing or changing the relations of silver. It admits the situation with the rest of the world, save in a mutual agreement upon a respective uniformity in the character of its silver coin, and its mutual acceptance. The franc is the monetary unit of certain European states, viz., Belgium, France, and Switzerland. All commercial transactions are expressed in the name of francs. The lira is that of Italy, the drachma of Greece, and the pecata of Spain, all now of equal value! In former days when the traveller landed on the Continent, he was compelled to set

aside his silver money as uncurrent, or dispose of it at a loss. At the frontiers of the respective States — which now form the Latin Union — this was again and again repeated, and in fact in Italy there were formerly three kingdoms, in each of which was encountered a different system of currency, viz., Tuscany, the Roman States, and the Kingdom of Naples. To obviate this inconvenience, which was perplexing and expensive, this Union — of the four first mentioned — was formed, and by convention agreed that their coins should be minted identical in weight and value, and be mutually accepted as currency and interchangeable by the respective governments at fixed periods, the debtor State then paying its balance in gold. It is not long since that Belgium became so heavily indebted to France, that the time for the payment of her gold balance, by the terms of this convention, was necessarily extended. In the event of a non-agreement, which for a time was apprehended, France would have demonetized Belgian silver coins, and thus a staggering blow would have been struck that would have perhaps hastened the crisis that is now approaching. In the present situation it is not probable that those States, as their silver coins are now but tokens, will be induced to recall them and to recoin them under a change of ratio.

As I said in another place, prior to the meeting at Brussels, one encounters in reasoning as to the possible establishment by that conference or any other of a parity between gold and silver, two insurmountable obstacles. Primarily of these is the monetary medium of India. The radical disturbance of this by the over-production and the decline of the market value of the metal, has so impaired its character for a financial standard as to seriously disturb their commercial relations, and now threatens an unparalleled monetary crisis, perhaps a catastrophe — the inevitable result of which must ultimately place the entire Orient upon a gold basis. Despite all debate and all congresses, unmistakable signs of this important movement are now visible. And for the other, we have the unprecedented and enormous mass of this metal now held by the United States, which

must be a perpetual menance to all the markets and treasuries of the world, and a stubborn impediment to any possible arrangement in that direction. Suggestions of obvious possibilities in Congress, whereby in their argentiferous madness but a few million ounces would be thrown upon the market, would be followed by such a drop in prices as to precipitate panic in the entire Orient and threaten bankruptcy and disaster in all relative commercial centres.

The first step at the next meeting of Congress should be to repeal that abominable act;—abominable, because compulsory upon the treasury, disastrous to our monetary system and for private and sectional interests. This must come sooner or later, and the sooner the better. The artificial stimulation and protection to this "silver interest" withdrawn, the market price and production of the metal would the sooner come into equilibrium with the world's normal requirements, and tend to stability by taking care of themselves.

These elements aside, and related political influence proportionately lessened, we shall be better prepared for international agreements, and possibly descry the dawn of conditions leading to a more convenient, more uniform, more popular and a more economical currency system, or inevitably take our place among the debtor countries and secondary powers, whose currency basis is silver, and thus be hoist with our own petard!

At present not one-sixth of our home production of this silver metal—not losing sight of the exceptional extravagance and the luxury of the American people—is absorbed for domestic purposes and the mechanic arts. If this production is continued what is to become of the excess? Is the compulsory law upon the Honorable Secretary of the Treasury to make his monthly purchase of 4,500,000 ounces to continue interminably? The government now holds in its treasuries, including the pig silver and the stagnant millions of those little token disks, stamped with that impious legend, fifteen thousand tons,—a mass sufficient to load four or five of the largest ocean-going steamers—the estimated cost of which exceeds $480,000,000!

It would seem that we had much better bank upon faith in our government bonds, backed by the loyal American people, than upon this uncertain merchandise; and if on silver, why not on copper or lead, or on the granger products? Upon what meat does this our silver Cæsar feed that he has grown so great, and finds such especial favoritism and patronage?

Our government long since reached that point, where at great loss it is utilized by private greed to sustain the silver market against the world and the inevitable. It is now for the people to cry "hands off" to that fillibustering oligarchy, that virtually has one hand on the throat of the Secretary of the Treasury and the other in his treasure box, and demand a total and unconditional repeal of that purchasing law of 1890! Under this recent avalanche of this white metal, Congress, in its effort to maintain the price, has, in the whirligig of events, virtually become the cat's-paw that is rescuing British chestnuts. Should the United States repeal this law, will Great Britain come forward and undertake to stay the market of this metal in the interest of her India possessions and her commerce with the East? The crafty diplomacy of her statesmen in the Brussels Conference was silent as to such a disposition. I am curious as to what will be her course in this dilemma! Should the compulsory purchasing of the Secretary of the U. S. Treasury cease, while our product is 65,000,000 ounces, with a positive demand for only about 10,000,000 ounces, for the purposes of the mechanic arts, what is to become of the residue, this excess of 55,000,000 ounces? The continual reduction of its value has been already seriously disastrous to India, whose entire currency is based on this metal, the coins of which are now current there, as I have already said, at a discount which is impoverishing.

The question is, will the currency of the entire Orient be allowed to depreciate further, and, following the gold quotations for it, cast into bankruptcy still more of those who are struggling against its ebbing tide, or will the East under the lead and the legislation of Great Britain be compelled to pass through a great financial revolution,

and through measureless trials finally establish themselves upon a gold basis? This seems inevitable, in a not distant future, and thus the white metal must there gravitate to its purely commercial and entirely subordinate place.

In the early days of Mr. Lincoln's administration he was mercilessly caricatured by the copperheads. One of these caricatures scurrilously represented Mr. Lincoln turning United States gold coins into greenbacks. Secretary Seward complained of this, but Mr. Lincoln comforted him with the assurance that "we'll turn the mill the other way by and by." Experience now unhappily repeats itself. We are purchasing enormously of silver metal and paying for it in notes redeemable in gold, and thus the white displaces the yellow, and by its excessive production is constantly declining in value, while we are piling up indefinitely the surplus of the whole continent. The situation suggests the experience of the Vicar of Wakefield's "Moses at the Fair," when he disposed of the family colt and was induced by sharpers to invest his receipts in "green spectacles and shagreen cases." The rims, it will be remembered, were represented to be of silver but they proved to be copper, washed.

Had the resources of the United States at the breaking out of the war of the Rebellion been in silver to the present extent, faith in our ability to conduct the war, to maintain our autonomy, and pay the interest on our bonds in gold, would have been so weakened as to have interfered with their sales at home and abroad, crippled the Lincoln administration, and thus seriously endangered the Union cause. It will be remembered that the government pledged gold to that end and by statute enacted that all custom-house dues should be collected in gold. Not a breath was uttered as to silver; it was a negative and unimportant factor, and since resumption of specie payment in 1879, every random utterance on the floor of Congress, be the member never so insignificant, as to the redemption of those bonds or the payment of the interest thereon in silver, has had a disturbing influence upon their market value at home and abroad.

It is an old tale to repeat, that gold is mentioned in the oldest records of the human race. From the dawn of history, and step by step it may be, at all events it has chanced to become, by the consensus of mankind, the most important, the universal monetary factor, and accepted standard of value. From its steadiness it is the governor of all financial machinery, and there is nothing to supplant it or which can become its yoke-fellow. To all attempts at a fixed adjustment in the relations of the two metals, the answer for the future must be, that gold in value is comparatively permanent, and silver, from its abundance and general material uses, is pliant and transient. The potency and unique importance of gold in all our common relations is too evident for extended comment, and the relative impotency of silver is more and more manifest as its commercial value is lessened by its abundance. As a matter of money, gold is the most economical to handle and the most convenient. It resists oxidization, "moth and rust doth not corrupt," is attractive to man, and ranks first in brilliancy and value among the useful metals. It is hoarded by the people for individual exigencies, and by nations as a contingent for war.

I repeat, it was our promise and our ability to pay gold that sold our obligations and greatly aided to carry us through our fiery trial.

In illustration of this, I will venture to mention here, that sometime since, while in Paris, I was honored with an invitation to a dinner given by the Minister of Agriculture and Commerce. As I was presented with others and announced as from Boston, a distinguished gentleman approached me in a cordial manner, saying: "I understand, sir, you are from Boston," to which I replied that "I had that pleasure." "Well," he said, "we do not know much about your country, but we remember Boston. That city paid the interest on her bonds in gold during your great war," and with this respectful recognition, he made me a low bow, with the further remark, "I pay my respects to Boston." I need not say I was flattered and proud of this recognition. I am tempted to mention this agreeable incident as an example of the indifference to, or rather the estimation of silver in distinc-

tion to the fictitious importance for monetary purposes now given to it by its advocates of the "silver interest."

The suddenly created great war debt of the United States, and its too rapid payment, so enhanced prices, that it disturbed and disjointed all estimates and calculations of the political economist and the merchant. The cycle of that war was felt as a financial wave around the globe, the resulting action —and indeed, reaction—of which has not yet ceased, though not always recognized. All desirable real estate, every article of luxury and taste, came under its augmenting influence. It enriched genius as never before in history. Art and invention made never so rapid strides. The greater artists of Europe became princes in their affluence and resources, for never since the palmy days of Rome and Greece were the living paid thousands upon thousands for their canvasses and their marbles, while their ability was abundantly manifest to reproduce and continue their work. It fabulously increased the demand and the value of gems. Not a saphire in the rivers of Burmah, not a ruby in the mountains of Siam, not a pearl at the bottom of the Persian Gulf, but felt the effect of the great American war, and that effect was always in the gold value; diamonds, I may say, were an exception. The tendency to an increase of their value was met and counterbalanced by the coincident enormous findings in the South African mines. As with silver, they were over-produced, and became almost a drug, and with no congressional interest to purchase their output.

At Frankfort on the Main and along the Rhine, are villas and palaces built by people whose fortunes were increased because they had faith in the United States and bought their bonds, and yet, through all this, how little, comparatively, of the yellow metal was moved! Silver was then only a subsidiary servant, relatively decreasing in potentiality, which no human instrumentality can now reinstall. Here at home, while all labor was nominally better paid, rentals increased, with also the cost of education and of all living generally, and often unreasonably. The debt of that war as *bona fide* capital incited luxurious industries in all departments with an unhealthy extravagance, while trade exacted

larger margins of profit, and unprecedented fortunes were made upon that faith in the government and the people, which eventually materialized and became "as good as gold."

I have alluded to our currency. If a merciful Providence will but strike the next Congress with partisan blindness, and it will then take up the patriotic work of legislation that will be national and not sectional, and reorganize our present deplorable currency system by constructing a more simple and economical one, it will make a record that will give it a proud niche in history. With the position of so large an element of silver in a false relation, with the lingering gold notes incidental to the war times, the United States notes, the Treasury (coin) notes of 1890, and the silver certificates, not interchangeable save with silver dollars, and silver dollars not changeable for gold dollars, and with all the department regulations — needful in its bookkeeping — we have an incongruous patch-work currency, unintelligible and confusing.

Why may we not dispense with all paper currency saving the Treasury (coin) notes of 1890, and discontinue issuing any of a denomination below five dollars? This would tend to utilize silver dollars as tokens to the extent of supplanting the one and two dollar notes. If this causes inconvenience, to those who wish to send small amounts in the mails, there is the Money Order Office to obviate that. Then we have the two dollar-and-a-half gold piece! The ten-shilling gold coin ($2.50) in England, and the ten-franc gold piece ($2.00) in France, are both very popular and convenient coins. It will be remembered that England issues no note below five pounds sterling which is equal to $25.00, and in France we find no bank note below fifty francs, $10.00. The larger silver coins are unpopular abroad as well as at home. Indeed, the English crown piece of five shillings is well nigh obsolete, and in France the traveller is never annoyed with five franc pieces.

If it be said that this *coin* note is redeemable in gold or silver, that is a virtue of it! The government is thus necessarily fortified from which, in the present situation, there seems no escape. With the silver purchasing act repealed, and with the ordinary gold reserve in the treasury,

and also the silver, it is manifest that in the event of the reduction of the reserve of gold, even to the extent of fifty or a hundred millions to meet foreign demands, an equilibrium in exchange could doubtless be maintained that would satisfy any exigency, and with the power resting with the Honorable Secretary of the Treasury to issue bonds in case of need, the danger of inability to meet all demands for gold would thus be very remote. An equality then would be virtually established between those notes and gold, confidence would be assured, our currency system would be simplified, be more economical and rest on more satisfactory foundations. A larger issue of bonds for the use of the National banks and for the purposes of conservative investments would be a public boon, and a four per cent loan would be more popular and readily command more than the difference between that and a lower rate.

It may be of passing interest to note that, in line with the exceptional favoritism which has been accorded to silver, is the Act of the Forty-Sixth Congress, *directing* the Secretary of the Treasury to "transport, free of charge, silver coin, when requested to do so." The total cost to the country of this amiable partiality for the last fiscal year, and conceded to no other currency, was $76,178.69. For this expressage east of the Rocky Mountains the average cost was $1.64 per $1,000; for that on the west of them the average cost was $4.80 per $1,000; while the coin sent from the mints cost $2.31 per $1,000. To be added to this cost is that for clerical force, handling, counting and recounting, bagging and sealing, —which in the aggregate reaches no inconsiderable sum. The object of this expenditure was nominally understood to be the promotion of circulation, but as these dollars do not "circulate," at least in the East, this expenditure here is largely farcical, and especially in the frequent cases where the privilege is abused by parties who order these dollars and pay debts with them as a matter of spite or mean personal advantage. This is of frequent occurence. There are instances in remote towns where the two existing banks were not friendly, and many thousands of dollars have been sent to the order of one bank, in some cases at the expense of $2.00 per

thousand to the government, and directly returned by the recipient bank at its own expense. Recent instances of this can be mentioned in a White Mountain town in New Hampshire, and another at the extremity of Maine, which were continued for weeks. At the Boston Sub-Treasury sometimes could be seen the thousands going and others returning, at the same moment, from one or the other of these same parties to this game of see-saw. There are a limited number of manufacturing corporations who have chosen to avail themselves of this free delivery, but their dollars directly find their way back into the U. S. vaults. As an example, I may instance that of one corporation, twenty miles distant, which has obtained at government expense from Boston $11,500, to answer to its pay-roll, every Monday for the last dozen years or more. These coins as regularly find their way into the local banks, and are returned to the Treasury by the end of the same week, at their expense. Thus it will be seen that the cost on the part of the government for the transportation of this coin to this one corporation, has been about $600 annually; a round sum in the aggregate. In view of the abuses of this Act and for other reasons, the legal tender limit for standard dollars should be placed at a sum not exceeding $1,000.

In the meantime, saving comparatively a fraction of them, the inert and countless mass of our token dollars now in the crypts of the United States treasuries must slumber in desuetude as undisturbedly as the ashes of Avon's bard, and virtually under the same imprecations!